



TESTIMONY IN SUPPORT OF SENATE BILL SB 936

AN ACT TEMPORARILY EXTENDING THE LOOK-BACK PERIOD TO DETERMINE ELIGIBILITY FOR UNEMPLOYMENT COMPENSATION.

My name is George Wentworth and I am an attorney with the National Employment Law Project (NELP), a national non-profit research organization based in New York City that advocates on behalf of federal and state policies that help unemployed and low-wage workers. I am here today to testify in support of Senate Bill 936, "An Act Temporarily Extending the Look-back Period to Determine Eligibility for Unemployment Compensation."

This somewhat technical bill relates to an unemployment insurance (UI) program known as "Extended Benefits" (EB). This program – which is governed by federal and state law - provides an additional 13 weeks of unemployment benefits when a state's average unemployment rate for the past 3 months has been 6.5% or higher, and provides 20 weeks of benefits when the 3-month average has been 8.0% or higher. Extended Benefits are normally funded equally by the state's unemployment trust fund and the federal government. However, under the American Recovery and Reinvestment Act (ARRA) enacted in February 2009, this program has been fully federally funded (with the exception of governmental employers who do not pay unemployment taxes but instead reimburse the cost of benefits for former employees.).

Last year many states recognized that there was a provision in their Extended Benefits law that threatened to shut down their EB programs. In addition to meeting the 3-month average unemployment rates of 6.5% or 8.0%, the federal law required states to "trigger off" Extended Benefits if the state's rate was not at least 110% of what it was for the same 3-month period in either of the prior 2 years. Because the national unemployment rate has been over 9.0% for a record 21 consecutive months, there are many states like Connecticut that have plateaued at a high level of unemployment for many months. Under current law, even assuming the state's unemployment rate stays the same, Connecticut likely have to cut off EB payments to long-term unemployed workers by June because it has not satisfied the 110% rule.

In December, Congress reauthorized full federal funding of the EB program through the end of 2011. At the same time, it gave states like Connecticut the authority to change their laws to avoid cutting off Extended Benefits while unemployment is still severe. This bill temporarily substitutes a 3-year look back period for the 2-year look back period currently applied to trigger on and off the program.

By enacting SB 936, the General Assembly will avert a triggering off of Extended Benefits at any point in 2011. This will provide much needed financial protection for the roughly 15,000 unemployed Connecticut workers currently covered by the program and the thousands more long-term unemployed who will need to apply for Extended Benefits over the rest of this year. Thank you.